

EXHIBIT B

SEARS RETIREE LIFE INSURANCE

1840

PAUL J. DERR

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Dear Paul J. Derr:

Our records indicate that you filed a claim in the Sears Retiree Life Insurance settlement. Under the terms of this settlement, Sears is permanently restoring one annual increment of your Sears-provided retiree life insurance. This means that the amount of coverage you have will not reduce in 2003. In other words, as a result of the settlement, the amount of life insurance you have each year going forward will be greater by one annual increment than originally scheduled. Attached is your revised personal phase down schedule, showing the effect on your life insurance in future years, including the amount in 2007 and subsequent years.

If you have any questions about your retiree life insurance, refer to the Summary Plan Description for the plan or call the Retiree Service Center at 1-800-762-7327, press 1 if you're calling from a touch tone phone and select the Life Insurance Inquiries prompt – option 2, Monday through Friday, between the hours of 7 a.m. and 4 p.m. Central Time.

Sincerely,

Sears Retiree Life Group
P.O. Box 6160
Utica, NY 13504

September 12, 2002

Name: [REDACTED]
Street: [REDACTED]
City/State/Zip: [REDACTED]
Date of Birth: [REDACTED]

Your Annual Reduction Amount

Your retiree life coverage (before reduction)	\$50,000.00
Your coverage in 10 years, on January 1, 2007	\$9,500.00
Your total reduction over 10 years	\$40,500.00
Your annual incremental reduction amount	\$4,500.00

Your Reduction Schedule

Your age as of January 1		Sears provides coverage in this amount
1998	68	\$ 45,500.00
1999	69	\$ 41,000.00
2000	70	\$ 36,500.00
2001	71	\$ 32,000.00
2002	72	\$ 27,500.00
2003	73	\$ 27,500.00
2004	74	\$ 23,000.00
2005	75	\$ 18,500.00
2006	76	\$ 14,000.00
2007	77	\$ 9,500.00

This form is for Informational purposes only. For specific plan information, please refer to the Sears Retiree Group Life Insurance Summary Plan Description